

**MFSA**

MALTA FINANCIAL SERVICES AUTHORITY

**Public Company**

*Companies Act, 1995*

**Memorandum  
And  
Articles of Association  
Of**

**HSBC BANK MALTA P.L.C.**

Registration No. C 3177

Registered on the 25<sup>th</sup> day of September 1975

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**HSBC Bank Malta p.l.c.**

**as amended by**

**Annual General Meeting**

**held on**

**08 April 2010**

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## **MEMORANDUM OF ASSOCIATION**

1. The name of the Company shall be HSBC Bank Malta p.l.c.
2. The Company is a public company.
3. The registered office of the Company shall be at 233, Republic Street, Valletta or at such other place in Malta as the Board of Directors may from time to time determine.
4. Subject to any law governing the activities of the Company and the conditions of any license issued in terms of the law, the objects for which the Company is established are:
  - i) to carry on the business of banking in all its aspects whether in Malta or abroad, and whether related to national or international business including offshore business and including but not limited to the transaction of all financial, monetary, investment and other businesses which now are or at any time during the existence of the Company may be usually or commonly carried on in any part of the world by banks, discount houses, merchant banks or financiers; and in particular (but without prejudice to the generality of the foregoing):
    - a) to receive any money on current account or on deposit on any terms, and to borrow, raise or take up money with or without security, and to employ and use the same;
    - b) to deposit, lend or advance money, securities or any other kind of property, with or without security, and generally to make or negotiate loans and advances and credit facilities of every kind and in any currency, including (though not limited to) financing the acquisition, sale, hire or lease of property, goods, articles or commodities of every kind whether by personal loans, instalment finance, deferred payment or otherwise;
    - c) to draw, make, accept, endorse, grant, discount, acquire, subscribe or tender for, buy, sell, issue, execute, guarantee, negotiate, transfer, hold, invest or deal in, honour, retire, pay, secure or otherwise dispose of rights, obligations, instruments (whether transferable or negotiable or not) and securities of every kind;
    - d) to grant, issue, negotiate and in any manner deal in letters of credit, travellers' cheques and circular notes and drafts and other forms of credits and instruments of every kind;

- e) to buy, sell and deal in bullion, specie, precious metals, foreign exchange and commodities of every kind;
  - f) to receive or place on deposit or for safe custody or otherwise documents, packages, cash, securities and valuables of every description and offer the service of safe-custody;
  - g) to collect, hold and transmit money and securities and to act as agents for the receipt or payment of money or for the receipt or delivery of securities and documents;
  - h) to transact business in respect of all kinds of bankers' payment systems and to issue and transact business in respect of all types of bankers' cards, and credit and debit cards whether issued by the Company or by any other person or company;
  - i) to act as registrars and transfer agents for any company or person and to maintain for any company or person any records and accounts which may be requisite for the purpose, and to undertake any duties in relation to the registration of transfers, the issue and deposit of certificates or other documents evidencing title to securities, or otherwise;
  - j) to act as agents, brokers, advisers or consultants in relation to the investment of money, the management of property and all pension and taxation matters, and generally to transact all agency, broking, advisory or consultancy business of every kind as well as act as managers of collective investments schemes and custodian of securities and investment instruments;
  - k) to act as a tied insurance intermediary in terms of the Insurance Intermediaries Act (Cap 487);
  - l) to purchase, acquire or otherwise hold immovable property or any right thereon within the limitations set out by law;
  - m) to take over in settlement or on account of debts all or any part of the business, property rights and liabilities of any person, firm, partnership, or company and to dispose of such business, property or rights as may be deemed appropriate.
- ii) to borrow or raise money in such manner as the Company shall think fit and in particular but without limitation by the issue of debenture or debenture stock and to give security if required for the repayment of such money by hypothecation charge or lien upon all or any of the property or assets both present and future of the Company;

- iii) to guarantee with or without security the obligations of third parties in any manner including entering into any guarantee, bond, recognisance, indemnity, surety and counter guarantees;
- iv) to sell, lease or otherwise dispose of the undertaking of the Company or any part of it, or all or any part of the property of the Company for such consideration as the Company may think fit;
- v) to undertake and execute the office of executor, administrator, curator, manager, committee, treasurer or any other similar office and to establish, undertake and execute trusts of all kinds, whether private or public, including religious and charitable trusts, and generally to carry on trustee and executor business in all its aspects and on such terms as may be thought expedient and in particular, but without prejudice to the generality of the foregoing, to act as trustees for the holders of any unit trusts, investment trusts and pension, benevolent and other funds and to transact all kinds of business arising in connection with any of the foregoing offices and trusts, and to establish, settle and regulate and, if thought fit, undertake and execute any trusts with a view to the issue of any securities, certificates or other documents based on or representing any securities or other assets appropriated for the purposes of such trust;
- vi) to promote, effect, negotiate, offer for sale by tender or otherwise, guarantee, underwrite, secure the subscription or placing of, subscribe or tender for or procure the subscription of (whether absolutely or conditionally), participate in, manage or carry out on commission or otherwise, any issue or conversion, public or private, of the shares and securities of any company and to lend money for the purposes of any such issue;
- vii) to carry on the business of installing, selling, renting and providing computers, data processing and storage equipment and systems, computer bureaux, programming, operating and consultancy services and communication systems of all kinds, and acquiring, leasing, hiring and disposing of electronic and mechanical equipment and machinery, and ancillary chattels and property of any kind or description;
- viii) to amalgamate or enter into partnership or any profit-sharing arrangement with and to co-operate in any way with or assist or subsidise any person, firm, partnership or company, and to purchase or otherwise acquire and undertake all or any part of the business, assets and liabilities of any person, firm, partnership or company;
- ix) to invest any moneys of the Company in such investments, securities and any other kind of property as may be expedient and to hold, sell, or otherwise deal with such investments, securities or property;

- x) to establish or promote or concur in the establishment or promotion of any company;
- xi) to procure the registration or incorporation of the Company in or under the laws of any place outside Malta and obtain provisional authorisation enabling the Company to carry any of its objects into effect;
- xii) to seek for and secure, and generally to utilise and exploit, openings for the employment of capital in any part of the world, and with a view thereto to employ experts to investigate into and examine the conditions, prospects, value, character and circumstances of any business concerns and undertakings, and generally of any assets, concessions, properties and rights, whether in existence or contemplation;
- xiii) to enter into any arrangement with any government or authority, international, supreme, municipal, local or otherwise, and to obtain rights, concessions and privileges from any such government or authority and to carry out, exercise and comply with any such arrangements, rights, concessions and privileges;
- xiv) to distribute any of the property of the Company among its members in specie;
- xv) to subscribe, donate or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition or sporting activity or for any purpose which may be likely directly or indirectly to further the objects of the Company or the interests of its members;
- xvi) to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds or for the benefit of, to give or procure the giving of donations, gratuities, bonuses, benefits, pensions, allowances or emoluments to, and to purchase and maintain insurance for or for the benefit of, any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary or an associate of the Company, or who were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families, dependants and person representatives of any such persons, to any institutions, associations, building and housing schemes, club-funds or trusts for the benefit of any such persons as aforesaid, or to advance the interest and well being of the Company or of any such company as aforesaid and to make payments for or towards the insurance of any such persons as aforesaid;
- xvii) to co-ordinate, finance, assist, subsidise and manage all or any part of the businesses and operations of any and all companies in which the Company is interested whether as shareholder or otherwise and whether directly or indirectly and generally to carry on the business of a holding company;

- xviii) to take or concur in taking all such steps and proceedings including (but without limitation) the undertaking of any obligation monetary or otherwise as may seem best calculated to uphold and support the credit of the company or to obtain, maintain, restore or justify public confidence in the Company or to avert or minimise financial disturbances which might detrimentally affect the company;
- xix) to purchase, substitute for, acquire, hold, receive in deposit or otherwise deal in stocks, shares, bonds, debentures or other securities and collect their relative coupons;
- xx) to carry on any other business or activity which may seem to the directors capable of being advantageously carried on in connection or conjunction with or as ancillary to any of the foregoing businesses or which the Directors may consider expedient with a view to rendering profitable or more profitable or enhancing directly or indirectly the value of the Company's undertaking or any of its property or assets, and to do all such other things as the Directors may consider incidental or conducive to the attainment of the Company's objects.

Nothing in the foregoing shall be construed as empowering or enabling the Company to carry out any activity or service which requires a licence or is otherwise regulated under the Investment Services Act 1994 and the Insurance Business Act (Cap 487) without a licence or other appropriate authorisation from the relevant Competent Authority.

The exercise by the company of the foregoing objects and powers is subject to such prohibitions and restrictions as are provided by and under the mandatory provisions of any law in force for the time being including the Companies Act 1995 and the Insurance Business Act (Cap. 403) and the Insurance Intermediaries Act (Cap 487) and of any regulations or insurance rules or insurance intermediaries rules issued thereunder and any amendment, modification or substitution of any such laws, regulations and rules.

AND IT IS HEREBY DECLARED THAT the objects specified in each of the paragraphs of this clause shall not, except where the context expressly so requires, be in anywise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

- 5 The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

6. (1) The authorised share capital of the Company is one hundred forty one million euro (€141,000,000) divided into four hundred seventy million (470,000,000) ordinary shares of thirty Euro cents (€0.30) each.
- (2) The issued and fully paid-up capital of the Company is eighty seven million five hundred fifty two thousand euro(€87,552,000) divided into two hundred ninety one million, eight hundred and forty thousand (291,840,000) shares of thirty euro cents (€0.30) each, which are all listed on the Malta Stock Exchange.
7. (1) The Board of Directors shall consist of not more than nine (9) Directors who shall be appointed or elected by the shareholders. Every shareholder owning eleven per centum (11%) of the ordinary issued share capital, shall be entitled to appoint one Director for each and every eleven per centum (11%) of the ordinary issued share capital of the Company owned by such shareholder. Any fractional shareholding not so utilised in the appointment of Director(s) shall be entitled to participate in the voting for the election of further Directors.
- (2) The Chairman shall be appointed as follows:
  - (a) The largest single shareholder of the Company, provided he holds at least thirty three per centum (33%) of the ordinary issued share capital of the Company, shall be entitled to appoint the Chairman from amongst the Directors appointed or elected to the Board.
  - (b) Should more than one shareholder be so entitled to appoint the Chairman, such shareholders shall notify the Company of their appointee. Such notification is to be signed by all such shareholders.
  - (c) If the Chairman is not appointed as stated in (a) or (b) above within five (5) days from the day on which the above entitlement can be exercised, the Directors shall elect the Chairman from one of their numbers.
- (3) During such time as a shareholder is entitled to appoint Directors, including the Chairman such appointment may be made by letter addressed to the Company. Otherwise the election of the Directors shall be held as provided in the articles.

8. The current Directors are:

Mr. Albert Mizzi – Chairman  
27, Gorg Borg Olivier Street  
St. Julians, Malta  
I.D. Card: 718127(M)

Mr. Alan Richards

53, Triq Birguma  
Birguma, Naxxar, Malta  
British Passport No: 761001873

Mr. Anthony Mahoney  
Devauden, Chepstow  
NP16 6PB  
UK  
British Passport No: 093214821

Mrs. Sally Robson  
Apartment 22, Block 11, Portomaso,  
PTM 01, St. Julians, Malta  
British Passport No: 106437020

Dr. Philip Farrugia Randon LL.D.  
61, B'Kara Hill, St. Julians, Malta  
I.D. Card No: 48049(G)

Mr. Carmel sive Charles John Farrugia  
67, Stefanotis Street  
Sta Lucia, Malta  
I.D. Card No: 745557 (M)

Mr. James Dunbar Cousin  
14, Don Rua Street,  
Sliema SLM 1881  
I.D. Card No: 267450(M)

Mr. Peter Paul Testaferrata Moroni Viani  
Casa Testaferrata  
J. Howard Street  
San Pawl tat-Targa, Malta  
I.D. Card No: 562660 (M)

Mr. Saviour sive Sonny Portelli  
28, Meona,  
Triq it-Tabor  
Lija, Malta  
I.D. Card No: 605344 (M)

9. The Company Secretary is:  
Dr. George Brancaleone LL.D.  
11, Triq L-Alwett, Kappara, San Gwann  
I.D. Card No: 136061(M)

10. The Company shall be represented in judicial proceedings by the Chairman or the Chief Executive Officer or, without prejudice to the powers of the Chairman or the Chief Executive Officer, by any person or persons deputed and authorised for this purpose by the Board of Directors.

Deeds of whatsoever nature engaging the Company and all other documents purporting to bind the Company shall be signed and executed on behalf of the Company by the Chairman or the Chief Executive Officer, or without prejudice to the powers of the Chairman or the Chief Executive Officer as aforesaid, by any person or persons deputed and authorised for this purpose by the Board of Directors. The persons vested with judicial and contractual representation of the Company are Mr. Albert Mizzi (Chairman) I.D. Card Number 718127(M) or Mr. Alan Richards (Chief Executive Officer) British Passport Number 761001873.

11. The Directors shall have the power to appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and directions (not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may deem fit, and may also authorise any such attorney to delegate all or any of his powers, authorities, and discretions vested in him.

## **ARTICLES OF ASSOCIATION**

1. The following regulations shall be the sole Articles of Association of the Company and the First Schedule of the Companies Act 1995 (hereinafter referred to as “the Act”) shall not apply to the Company.

### **SHARE CAPITAL & RIGHTS**

2. The Ordinary Shares shall:
  - (a) be freely transferable, subject to the provisions of Article 31 of these Articles and to any condition/restriction in the terms of issue under this Article;
  - (b) entitle the holders thereof to representation on and participation in the election of the Board of Directors in terms of the Memorandum and Articles of Association;
  - (c) entitle the holder thereof to receive notice, attend and vote at general meetings; and
  - (d) entitle the holders thereof to participate in the distribution of dividends subject to the rights of preference shareholders.
3. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine as long as any such issue of Equity Securities falls within the authorised share capital of the Company.
4. Subject to the provisions of Section 115 of the Act, any preference shares may, with the sanction of an extraordinary resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by extraordinary resolution determine.
5. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending General Meetings of the Company.
6. Preference shareholders shall also have the right to vote in any of the following instances:
  - (a) when a meeting is convened to reduce the capital, or

- (b) when a meeting is convened to wind up the Company, or
  - (c) where the proposition to be submitted directly affects their rights and privileges, or
  - (d) when the dividend on their share is in arrears more than six months.
7. The rights attached to any class or classes of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply.
  8. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of Section 113 of the Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares in one way and partly in the other.
  9.
    - (1) Whenever equity securities of the Company are proposed to be allotted for consideration in cash, those shares shall be offered on a pre-emptive basis to shareholders in proportion to the share capital held by them.
    - (2) The provisions of Section 88 of the Act shall apply. Any such equity securities not subscribed to by the existing shareholders in terms of their pre-emptive right, may be offered for subscription to the general public under the same or other conditions which, however, cannot be more favourable than the original offer.
  10. No person shall be recognised by the Company as holding any security upon any trust or nominee relationships, and the Company shall not be bound in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any security, or any interest in any fractional part of a security or (except only as by these Articles or by law otherwise provided) any other right in respect of any security, except an absolute right to the entirety thereof in the registered holder and such other rights in case of transmission thereof as are hereinafter mentioned.
  11. The Directors may if they so deem fit, cause any of its shares or loan securities of the Company, whatever their class, whether issued or to be issued in terms of these Articles, to be quoted and listed on the Malta Stock Exchange (hereinafter referred to as the 'Exchange').
  12. The Company, may, subject to the provisions of the Companies Act 1995, acquire and hold any of its shares.

13. Subject to the provisions of the Companies Act 1995 and to the terms of issue, Equity Securities or Debt Securities of the Company may be pledged by the holder thereof in favour of any person as security for any obligation. Nevertheless the Company may when issuing Equity Securities or Debt Securities, provide in the terms of issue that those securities may not be pledged.
14. By an ordinary resolution taken in a general meeting, the Board of Directors may be authorised to issue shares or securities which are convertible into shares or securities which carry the right to subscribe for shares, up to the amount of the Company's Authorised Share Capital, which authorisation shall be for a maximum period of five years from the date this clause shall become effective, renewable for further periods of five years each.

The acceptance of this clause by the General Meeting to form part of the Articles of Association shall itself entail the conferment of such authority.

### **SHARE CERTIFICATES**

15. With the exception of Listed Shares of the Company, every member shall, without payment, be entitled to receive, within two months after allotment or lodgement of a transfer duly stamped, or within such other period as the conditions of issue may provide, a certificate for all his shares in any particular class, or several certificates, each for one or more of his shares upon payment of Lm5 (five Maltese Liri) for every certificate after the first, or such lesser sum as the Directors shall from time to time determine. Provided that in the event of a member transferring part of the shares represented by a certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name without payment.

In the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of several joint holders thereof nominated by the joint shareholders and whose name appears in the Register of members shall be sufficient delivery to all.

Every certificate shall be signed by one Director and countersigned by the Secretary or some other person nominated by the Directors for the purpose and shall specify the shares to which it relates, the nominal value thereof and the amount paid up thereon.

If no such nomination exists, the certificate shall be delivered to the first named shareholder in the Register.

## **RENEWAL OF CERTIFICATES**

16. If any share certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Directors shall require, and in case of wearing out or defacement, on delivery up of the old certificate, and in case of destruction or loss, on the execution of such indemnity (if any) and in either case, on payment of Lm5 (five Maltese Liri). In case of destruction or loss, the person to whom such renewed certificate is given shall also bear and pay to the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.
17. For Listed Shares of the Company, the holder thereof shall be entitled to receive from the Central Securities Depository of the Exchange a document evidencing his registration as a member of the Company in the number of shares held, or such other evidence as the Bye-Laws of the Exchange may from time to time determine. In the case of joint shareholders, such document shall be delivered to the first named shareholder on the register of members, unless the Exchange has been otherwise instructed.

## **CALLS ON SHARES**

18. The Directors may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed time, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be required to be paid by instalments.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. If a sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate not exceeding the maximum allowed by law as the Directors may determine but the Directors shall be at liberty to waive payment of such interest wholly or in part.

22. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and in case of non-payment, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any part of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding the maximum allowed by law, as may be agreed upon between the Directors and the member paying such sum in advance.
24. The entitlement to receive any dividend and/or the right to exercise any privilege as a member including the right to vote at General Meetings, shall be suspended until the said member shall have paid all calls for the time being due and payable on every share held by him, together with interests and expenses, if any.

#### **FORFEITURE OF SHARES**

25. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any or part of the call or installment of the call remains unpaid, require payment of so much of the call or installment as is unpaid, together with any interest which may have accrued, by means of a notice which shall also name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before, the time appointed, the shares, in respect of which the call was made will be liable to be forfeited.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. The shareholders shall however retain the right to all dividends declared before the call was made and which have not been paid, as well as the right to dividends declared after the call but before the date of forfeiture in which latter case however, his right shall only extend proportionately up to the amount actually paid by him. This without prejudice to any subtraction, from such dividend/s due to him, of all sums of money payable by him to the Company on account of calls or otherwise in relation to shares of the Company as provided in these Articles.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and the Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, who shall thereupon be registered as the holder of the share. At any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Provided that while forfeited shares remain with, or under the control of the Company, they shall not carry voting rights.
28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all the moneys which, at the date of the forfeiture were payable by him to the Company in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

#### **TRANSFER & TRANSMISSION OF SHARES**

29. All transfers of Listed Shares shall be subject to the rules, regulations and By-laws established by the Exchange from time to time.
30. Unlisted shares are transferred by a written instrument. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of membership in respect thereof. In no case may a part of a share be the object of a transfer.
31. The Directors may decline to recognise any instrument of transfer and refuse to register such transfer if the instrument of transfer:
  - (a) is (in the case of unlisted shares) not accompanied by the certificate of the shares to which it relates and/or by such other evidence as the Directors may reasonably require, to show the right of the transferor to make the transfer; and/or
  - (b) is not in respect of only one class of shares; and/or
  - (c) is in respect of those partly paid up shares, the called up portion of which is in arrears; and/or
  - (d) is not in respect of whole shares; and/or
  - (e) is in respect of shares pledged to third parties under a pledge agreement notified to the Company; and/or

(f) refers to shares the transfer of which has been prohibited by law or by an order of the court.

32. Any person becoming entitled to an unlisted share in consequence of the death of a member shall upon producing such evidence of his title as the Directors may from time to time determine, have the right to be registered himself as the holder of the share or to make such transfer thereof as the deceased member would himself have been entitled. If he shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the provisions relating to the transfer of shares in these Articles shall be applicable to such transfer.
33. A person becoming entitled to a Listed Share in consequence of the death of a member shall, upon producing such evidence of his title as the Exchange may from time to time require, have the right to be registered himself as the holder of the share.
34. Subject to any other provision of these Articles, a person becoming entitled to a share by reason of the death of the holder shall be entitled to the same dividends and other rights and advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

PROVIDED that the Directors in the case of unlisted shares, may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

35. In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register. The usufructuary shall for all intents and purposes be deemed vis-a-vis the Company to be the registered holder of the shares so held and shall be entitled to all the rights and advantages conferred by Membership of the Company including the right to receive dividends and to attend and vote at Meetings of the Company but shall not have the right to dispose of the shares so held without the consent of the bare owner.
36. Subject to the limitations and conditions established in these Articles of Association, the heirs/usufructuary of a deceased shareholder shall be the only persons recognised by the Company as having any title to or right over the shares (together with the surviving joint holders if the shares are jointly owned); but

nothing herein contained shall release the estate of a deceased holder, whether sole or joint, from any liability in respect of any share solely or jointly held by him.

37. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any calendar year.
38. Subject to the limitations and conditions established in these Articles of Association and to any condition/restriction in the terms of issue, the shares of the Company are freely transferable.

### **CONVERSION OF SHARES INTO STOCK**

39. The Company may by ordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination, provided that in the case of Listed Shares it shall comply with the Bye-Laws of the Exchange in making any such conversion or reconversion.
40. The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances permit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
41. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets upon a winding up) shall be conferred by any amount of stock which would not, if existing in shares have conferred that privilege or advantage.
42. Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

## **GENERAL MEETINGS**

43. Subject to the provisions of the Act, the Annual General Meetings shall be held at such time and place as the Directors shall appoint.
44. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
45. The Directors may convene an Extraordinary General Meeting whenever they think fit. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, any Director may convene an Extraordinary General Meeting in the same manner, as nearly as possible as that in which meetings may be convened by Directors.

Extraordinary General Meetings shall also be convened on the requisition of members of the Company as is provided by Section 129 of the Act.

46. (1) A General Meeting of the Company shall be deemed not to have been duly convened unless at least twenty one (21) days notice has been given to all shareholders in writing, wherein is stated:
  - (a) the date and time of commencement of the meeting and venue of the General Meeting together with the proposed agenda for the General Meeting;
  - (b) the procedures that members must comply with in order to be able to participate in and vote at the General Meeting, including information on:
    - (i) the extent of the shareholders' rights to include items on the agenda of the General Meeting and to table draft resolutions in terms of Article 50 after the notice of the meeting is issued and were applicable, the periods within which these rights may be exercised;
    - (ii) the right of every shareholder to ask questions which are related to the items on the agenda of the General Meeting in terms of Article 51;
    - (iii) information relating to the proxy forms to be used and the means by which the Company is prepared to accept electronic notifications of the appointment of proxy holders in terms of Article 53 (9)(ii);
    - (iv) information relating to the facility for shareholders to vote in advance in terms of Article 52;
    - (v) the Record Date, being the day falling thirty (30) days immediately preceding the date set for the General Meeting to which it relates.

- (c) in case of special business a statement regarding the general nature of that business;
- (d) where and how the full, unabridged text of the documents submitted to the General Meeting, including the Annual Report and draft resolutions may be obtained unless the draft resolutions are included as part of the notice;
- (e) address of the internet site on which the information which is to be published in advance of or subsequent to the General Meeting in terms of the Listing Rules or other applicable regulatory or legislative provisions will be made available;
- (f) any other information or details as may be required by any applicable regulatory or legislative provision from time to time.

Provided that a meeting may be called by a shorter notice than that specified in this Article pursuant to the applicable regulatory or legislative provisions.

- (2) Any notice of the meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.

47. Notice of every General Meeting shall be sent by pre-paid mail to:

- (a) every registered member at the last known registered address provided to the Company by such registered member, provided that such registered member is registered on the Record Date and any change to an entry of the register of members after the Record Date shall be disregarded in determining the right of any person to attend and vote at the meeting. The registered members registered on the Record Date shall be entitled to receive notice of the General Meeting, to participate in and vote at the General Meeting, be paid dividends and/or other benefits declared by the General Meeting, and appoint Directors or vote at the election of Directors pursuant to the provisions of these Articles;
- (b) the Directors; and
- (c) the auditor(s) for the time being of the Company.

No other person shall be entitled to receive notice of General Meetings.

- 48. The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of a meeting.
- 49. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also that is transacted at an Annual General Meeting with the

exception of declaring a dividend, the consideration of the accounts, balance sheet and the reports of the Directors and the Auditors, the election of the Directors in the place of those retiring and the appointment of Auditors and the fixing of their remuneration.

50. (1) Without prejudice to sub-article (2) of this Article, a member or members holding not less than 5% of the voting issued share capital of the Company may:

(i) request the Company to include items on the agenda of the General Meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the Annual General Meeting; and

(ii) table draft resolutions for items included in the agenda of a General Meeting.

(2) The request to put items on the agenda of the General Meeting or the draft resolution referred to in sub-article (1) above shall be submitted to the Company in hard copy form or in electronic form at least forty six (46) days before the date set for the General Meeting to which it relates and shall be authenticated by the person or persons making it. The Company shall not be obliged to entertain any requests by the members after the lapse of the 46 day time limit set out above.

(3) Where the right referred to in sub-article (1) above requires a modification of the agenda for the General Meeting that has already been communicated to members, the Company shall make available a revised agenda in the same manner as the previous agenda in advance of the applicable Record Date or, if no such record date applies, sufficiently in advance of the date of the general meeting so as to enable other members to appoint a Proxy or, where applicable, to vote by correspondence

51. (1) Every member shall have the right to ask questions which are pertinent and related to items on the agenda of a General Meeting and to have such questions answered by the Directors or such person as the directors may delegate for that purpose subject to any reasonable measures that the Company may take to ensure the identification of the shareholder. The said right shall also be enjoyed by a proxy holder appointed by the shareholder.

(2) The Company may provide one overall answer to questions having the same content provided no answer is required where:

(a) to give an answer would interfere unduly with the preparation for the meeting, involve the disclosure of confidential information or cause prejudice to the business interests of the Company;

(b) the answer has already been given on the Company's website in the form of an answer to a question;

(c) it is not in the interests of good order of the meeting that the question be answered; or

(d) the Company is unable to provide an immediate reply, provided that such reply is subsequently posted on the website of the Company.

52. The Company may provide that on a vote on a resolution on a poll taken at a meeting, the votes may include votes cast in advance. Nothing in this Article shall effect the power of the Company to require reasonable evidence of the entitlement of any person who is not a member to vote.
53. (1) Votes may be given either personally or by proxy. Without prejudice to sub-article (4) below, every person entered into the register of members kept by the Company shall be entitled to appoint one person to act as proxy holder to attend and vote at a General Meeting instead of him. The proxy holder shall enjoy the same rights to speak and ask questions in the General Meeting as those to which the member thus represented would be entitled.
- (2) The Company shall design proxy forms in a manner which allow a shareholder appointing a proxy to indicate how he would like to vote in relation to each resolution.
- (3) A joint member nominated in terms of these articles presenting the Notice of the General Meeting at the place where such meeting is being held, has the automatic right to represent the other joint members of the same shares for purposes of voting in General Meetings unless the Company shall have received not later than forty eight (48) hours before the time for the holding of the meeting or adjourned meeting, prior contrary written instructions from any of the said other joint members.
- (4) Where a person whose details are entered into the register of members is holding the shares for and on behalf of third parties, such member is entitled to grant a proxy to each of his clients or to any third party designated by a client. The said member shall be entitled to cast votes attaching to some of the shares differently from the others. Accordingly proxy forms shall be designed by Company to allow such split voting.
- (5) A proxy holder shall, prior to a General Meeting disclose to the member who appointed him any facts of which he is aware and which may be relevant for that shareholder in assessing any risk that the proxy holder might pursue any interest other than the interest of such shareholder.
- (6) A proxy holder appointed in terms of sub-article (1) above shall not transfer his proxy to another person. Where, however, the proxy holder is a legal person, it may exercise the powers conferred upon it through a duly appointed corporate representative.

(7) Any person acting as a proxy holder may hold a proxy from more than one member without limitation as to the number of members so represented. Where a proxy holder holds proxies from several members, he may cast votes for a certain member differently from votes cast for another member.

In the case of voting by a show of hands, a proxy who has been mandated by several member and instructed to vote by some members in favour of a resolution and by others against the same resolution, shall have one vote for and one vote against the resolution.

(8) A Proxy shall be appointed by written notification to the Company or by electronic means.

(9) A shareholder shall be entitled to:

- (i) appoint a proxy by electronic means, to an address specified by the Company;
- (ii) have the electronic notification of such appointment accepted by the Company; and
- (iii) have at least one effective method of notification of a proxy by electronic means offered to it by the Company.

(10) Articles 53(8) and (9) above shall apply to the revocation of the appointment of a proxy.

(11) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other one place in Malta as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than forty eight (48) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

In the case of appointment of a proxy by electronic means, the instrument appointing a proxy has to be submitted to the Company not less than forty eight (48) hours as indicated in sub-article (11) above.

(12) The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.

54. The quorum for a General Meeting shall be 50 members present (in person or by proxy) entitled to attend and vote at General Meetings of the Company.

55. If within half an hour from the time appointed for the meeting, a quorum is not present, the adjourned meeting may be convened by a shorter notice period than that required by Article 46 provided that:
- (i) the first meeting was duly convened in accordance with Article 46 ;
  - (ii) no new item is put on the agenda; and
  - (iii) the adjourned meeting is held at least 10 days after the final convocation is issued.
56. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number being a Director nominated and elected by the largest single shareholder, to be Chairman of the meeting.
57. At the commencement of any General Meeting, annual or extraordinary, the Chairman may lay down to the meeting the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.
58. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the meeting.
59. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any General Meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned, or of the business to be transacted at an adjourned meeting.
60. Unless otherwise provided for in the terms of issue, whether on a show of hands or on a poll, each share in the Company shall give right to one (1) vote at the General Meeting of the Company, irrespective of the class of such share.
61. (1) At any General Meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded, before or on the declaration of the result of a show of hands, by:
- (i) the Chairman; or
  - (ii) by at least three (3) members present in person or by proxy; or

- (iii) any member or members present in person or by proxy and representing not less than one-tenth of the total voting power of all members having the right to vote at that meeting; or
- (iv) a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

(2) Where voting on a particular item is conducted by a show of hands, in the case where a member requests a full account of the voting at a General Meeting, it shall be sufficient for the Chairman of the meeting to publish a statement indicating:

- (i) the total number of members entitled to vote present at the meeting;
- (ii) that upon a show of hands at the meeting it appeared that the resolution had been either carried or rejected.

The demand for a poll may be withdrawn.

- 62. Except in the case where a poll is demanded on the election of a Chairman or on a question of adjournment, if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 63. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall have a second or casting vote.
- 64. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 65. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 66. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- 67. (1) The dissolution of the Company and any alteration to this Article shall require the consent of members holding between them not less than seventy five per cent (75%) of the issued share capital.

(2) Fixing the remuneration of Directors, approval of accounts and the Directors' report, declaration of dividend, appointment of auditors and fixing of their remuneration shall be validly decided by a simple majority of the votes of the members present (in person or by proxy) at the time of the voting. Election of Directors shall take place in accordance with Articles 77(2) to 77(4) of these Articles.

(3) In all other matters, decisions require the consent of members in accordance with Section 135 of the Companies Act:

PROVIDED that, if the Company or any of its securities are listed, the Company cannot delete, amend, or add to any of its existing Memorandum and Articles which have been previously approved by the Listing Authority, unless prior written approval has been sought and obtained from the Listing Authority for such deletion, amendment or addition.

## **DIRECTORS**

68. All Directors of the Company shall be individuals.

69. The maximum annual aggregate emoluments of the Directors as well as any increase of such emoluments shall be established pursuant to a resolution passed at the General Meeting where notice of the proposed aggregate emoluments and any increase has been given in the notice convening the meeting.

Any remuneration paid to any Director by virtue of his holding a salaried office with the Company (whether permanent, temporary, direct or on secondment) shall not be deemed to form part of such Director's emoluments.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or working groups or General Meetings of the Company or in connection with any other work related to the business of the Company. Such expenses shall not be deemed to form part of the Directors' emoluments.

70. If any Director, being willing, shall be called upon to sit on any committee or working group of the Company or to perform other services related to the operations of the Company but which fall outside the scope of the ordinary duties of a Director, the Company may remunerate, as determined by the Directors, such Director, in addition to or in substitution of his remuneration as Director, provided such payments fall within the limit of aggregate emoluments of Directors established by the General Meeting pursuant to these articles.

71. A Director shall not be required to have a shareholding qualification, but a Director who is not a member shall nevertheless be entitled to attend and speak at General Meetings.
72. Unless the shareholders approve in a General Meeting, no Director shall participate in an issue or allotment of shares to employees.
73. The Directors may, subject to the provisions of the Banking Act, exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue bonds, debentures, debenture stock and other securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Company or of any third party:

PROVIDED that the Board shall not, without the previous sanction of an ordinary resolution of the Company, allow the borrowings of the Company in the aggregate amount to exceed an amount equal to twice the Adjusted Capital and Reserves. For the purpose of the foregoing restriction:

- (a) the "Adjusted Capital and Reserves" means the aggregate from time to time of:
  - (i) the amount paid up or credited as paid up on the issued share capital of the Company; and
  - (ii) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve, statutory reserve fund, capital reserve and any credit balance on profit and loss account) all as shown by the then latest audited balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited balance sheet.
- (b) "Borrowings" shall be deemed to include not only borrowings but also the following, except insofar as otherwise taken into account:
  - (i) the principal amount of any debentures or borrowed moneys, the beneficial interest wherein or the right to repayment whereof is not for the time being owned by a member of the Company and the payment or repayment whereof is the subject of a guarantee or indemnity by, or is secured by any hypothec, charge or other security interest of any kind on any of the assets of the Company;
  - (ii) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; but shall be deemed not to include deposits of money from individuals, corporations or banks withdrawable or repayable on demand or after a fixed period or after notice received in

the normal course of its banking business or any similar liabilities taken up as part of the Company's ordinary banking business.

- (c) When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than euro shall be converted for the purpose of calculating the euro equivalent at the rate of exchange prevailing on that day as quoted by the European Central Bank (and so that for this purpose the rate of exchange shall be taken from the euro foreign exchange reference rates).
  - (d) "Audited Balance Sheet" shall mean the latest audited balance sheet of the Company available at that date.
  - (e) A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.
  - (f) Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded.
74. The Directors shall exercise their powers subject to any of these Articles, to the provisions of the Act, Banking Act, Bye-Laws of the Exchange and to such regulations, being not inconsistent with the aforesaid Articles and laws, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
75. A Director shall not vote at a meeting of the Directors on any contract or arrangement or any other proposal in which he has a material interest, either directly or indirectly.
76. The Directors shall cause minutes to be kept in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;

- (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
  - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors and of Committees of Directors.
77. (1) The Company is to give at least fourteen (14) days notice to its shareholders to propose nominations of candidates for the election of Directors. Such notice may be given by the publication of an advertisement in at least two daily local newspapers. Notice to the Company proposing a person for election as a Director, as well as the latter's acceptance to be nominated as Director shall be given to the Company not less than twenty eight (28) days prior to the date of the meeting appointed for such election.
- (2) Every shareholder having the right to participate and vote for the election of directors need not use all his votes or cast all his votes in the same way.
  - (3) The candidate or the candidates, as the case may be, obtaining the highest number of votes shall be elected as directors.
  - (4) When there are as many nominations as there are vacancies, or less, no election will take place and those nominees will be automatically elected.
78. Unless appointed for a shorter or longer period but not exceeding three years, a Director shall hold office from the end of one Annual General Meeting to the end of the next.
- A casual vacancy shall be filled by the Company in General Meeting by the shareholders entitled to appoint or elect the Director filling such vacancy, or by the continuing Director or Directors in terms of section 140 of the Act, provided that in either case any person appointed or elected to fill a casual vacancy on or as an addition to the Board, will hold office until the next following Annual General Meeting of the Company, and will be eligible for re-election.
79. Any Director may be removed at any time by the shareholders by whom he was appointed. The removal may be made in the same manner as the appointment.
80. The office of a Director shall ipso facto be vacated:
- (a) if such Director becomes of unsound mind, is convicted of any crime punishable with imprisonment, or is declared bankrupt during his term of office; or
  - (b) if he is prohibited by law from being a director, or

- (c) if he is removed pursuant to, or otherwise ceases to be a Director by virtue of, the Act or these Articles; or
- (d) if by written notice to the Company, he resigns from his office of Director; or
- (e) if he absents himself from the meetings of the Directors for a continuous period of three (3) calendar months without leave of absence from the other Directors and such other Directors pass a resolution that he has, by reason of such absence, vacated office.

81. The Directors may meet together for the dispatch of business, adjourn or otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.

Not less than four (4) days notice (whether by letter, cable or telex or telefax or other means of readable communications) of a meeting shall be given to each Director at his address as shown in the register of Directors maintained by the Company or at such other address as such director may from time to time notify to the Company for the purpose.

The requirement of such notice may be waived by a decision of all Directors entitled to receive notice and vote at a meeting of the Directors. A Director may give notice of such waiver by fax, telex or other means of readable communications.

82. The quorum necessary for the transaction of business of the Directors shall be four (4) whether present in person or by their alternate.

83. If at any time the Chairman is not present within forty five (45) minutes after the time appointed for the meeting, the Directors may choose one of their number to chair the meeting from among the Directors appointed by the largest single shareholder.

84. A Director may at any time authorise, either generally or for a specified time any person to be his alternate Director; the person so authorised shall have the right to attend and to vote for him in his absence at any Board Meeting. The person so authorised shall have a vote as a Director for each Director by whom he is so authorised. Any such authority must be in writing and must be produced at this first meeting of the Directors at which it is intended to be acted upon. The alternate Director need not be a serving Director.

85. The Board of Directors shall have power to transact all business of whatsoever nature not expressly reserved by the Memorandum and Articles of Association of the Company or by any provision contained in any law for the time being in force to be exercised by the Company in General Meeting.

86. The Directors may delegate any such powers, authorities and discretions to committees or working groups, composed of persons of their body or other persons appointed by them, to deal with any matter which the Directors may deem fit. In appointing such committees and/or working groups the Directors may give specific or general terms of reference as they deem fit to enable the committee or working group attain the aims for which it has been duly constituted.
87. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Directors.
88. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period, not exceeding such Director's term of office as a Director, and on such terms and conditions as they deem fit, and subject to any agreement entered into in any particular case, may revoke such appointment. The appointment of a Managing Director shall be automatically determined if he ceases for any cause to be a Director.
89. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **COMPANY SECRETARY**

90. Without prejudice to the provisions of the Act regulating the appointment and functions of the Company secretary, the appointment or replacement of the Company secretary and the conditions of holding office shall be determined by the Directors. The Company secretary shall be responsible for keeping:
  - the minute book of General Meetings of the Company;
  - the minute book of meetings of the Board of Directors;
  - the Register of Members;
  - the Register of Debentures; and
  - such other registers and records as the Company secretary may be required to keep by the Board of Directors.

The Company secretary shall:

- ensure that proper notices are given of all meetings; and
- ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.

## **DIVIDENDS AND RESERVES**

91. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
92. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.
93. No dividend shall be paid otherwise than out of profits of the Company available for distribution.
94. Without prejudice to the relevant provisions of the Banking Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
95. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amount paid or credited as paid on the share in advance of calls shall be treated for the purpose of this regulation as paid on the shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
96. Dividends shall be declared and paid equally on all shares;  
  
PROVIDED that no dividends shall be paid on those partly paid-up shares the called up portion of which is in arrears.
97. No dividend shall bear interest against the Company.
98. Any dividend or other moneys payable in respect of a share will be paid by electronic means directly to the savings or current account designated by the holder or, in the case of a share held jointly by more than one person, to the account of the shareholder nominated and named in the Register of Members. Should there be no such nomination the dividend shall be paid into the account of the first named joint shareholder appearing on the Register of Members:

PROVIDED that, where the account number of a shareholder is not known, the dividend is to be kept by the Company for collection by the shareholder entitled to such dividend or for remittance when the account number of the said shareholder is made known to the Company;

PROVIDED that, in the case of a share held by joint holders, any one of such holders may give an effective and valid receipt for all dividends and payments on account of dividends and payments in respect of such share. The payment of dividend to any account of one of the joint holders shall be deemed to be a good discharge to the Company;

PROVIDED FURTHER that, nothing in this article shall preclude the Company from offering to pay dividends to its shareholders by any other means, including scrip dividend option.

## **ACCOUNTS**

99. Without prejudice to the provisions of the Banking Act, the Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any accounts or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
100. A printed copy, or in any other form as may be permitted by law, of the profit and loss account and balance sheet including any Directors' Report attached thereto shall, at least fourteen (14) days prior to the General Meeting, be provided, delivered or sent by post to every person so entitled in terms of Section 180 of the Companies Act unless otherwise provided by any applicable law or regulation as may be enforced from time to time.

## **CAPITALISATION OF PROFITS**

101. Without prejudice to the relevant provisions of the Banking Act, the Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members

respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution:

PROVIDED that a share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares:

PROVIDED that the Directors may in giving effect to such resolution make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions.

## **NOTICE**

102. A notice may be given by the Company to any member either personally or by post to the address supplied by him to the Company for the giving of a notice. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of twenty four (24) hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

Unless otherwise instructed in writing, in the case of joint shareholders, proper notice to all such joint shareholders is deemed to have been given if one notice to all the said joint shareholders is sent to the address of the shareholder nominated and named in the Register of Members, or in default of such nomination to the first named joint shareholder appearing on the Register of Members.

103. Any notice required to be given by the Company to the members or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.
104. Any notice required to be, or which may be, given by advertisement shall be advertised once only in two daily local newspapers, one in the Maltese and one in the English language.
105. If, owing to any factor affecting the postal services in Malta, the Company is unable to give effective notice by post of a General Meeting, notice of that General Meeting may be given by advertisement as provided in these Articles and shall be deemed to have been given on the day of publication. In such event the Company shall as soon as practicable (and if able to do so prior to the date of the General Meeting) send a notice by post to all members.
106. Signature(s) to any notice given by the Company may be written or printed.

**INDEMNITY**

107. Every Director, Managing Director, Agent, or Secretary and in general any officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted. The Company may insure against this indemnity.

**WINDING UP**

108. (1) All holders of the Ordinary Shares shall rank pari passu upon any distribution of assets in winding up.  
(2) On the voluntary liquidation of the Company, no commission or fees shall be paid to the liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all shareholders at least seven (7) days prior to the meeting at which it is to be considered.

**GENERAL**

109. The above Articles are subject to the overriding provisions of other Laws, in particular - but not limited - to the Companies Act 1995, the Banking Act 1994, the Financial Markets Act 1990 and any rules made thereunder, except in so far as any provisions contained in such laws permit otherwise.

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